

THE

H.O.M.E.

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Ontario Housing Corporation / Ontario Student Housing Corporation

THE H. O. M. E. PLAN

The H.O.M.E. plan is the name given to a number of schemes to be implemented by Ontario Housing Corporation in conjunction with Central Mortgage and Housing Corporation.

The purpose of the H.O.M.E. plan is to provide or assist in the provision of substantial quantities of residential accommodation, both for rent and for sale, to meet the needs of the citizens of Ontario in the low and middle income categories.

Incorporated in the H.O.M.E. plan are all existing programs including the provision of rent-to-income accommodation for families and senior citizens and residential accommodation for students.

Each scheme within the H.O.M.E. plan is designed so that it may be implemented separately depending upon a community's needs.

This publication is intended as a guide and source of information for municipalities, educational institutions, provincial and local organizations and individuals who wish to obtain assistance under the provisions of the H.O.M.E. plan.



S. J. Randall

Stanley J. Randall
Minister of Economics and Development

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T H E H . O . M . E . P L A N

STATEMENT OF HOUSING POLICY

The provision of adequate accommodation at economically realistic cost in terms of rentals or purchase price is a matter of concern to all levels of government - Federal, Provincial and Municipal. Constitutionally, provinces are responsible for ensuring that the housing needs of their citizens are met. The Government of Ontario recognizes and accepts its responsibility to provide or assist in the provision of adequate accommodation for its citizens.

By creating Ontario Housing Corporation and Ontario Student Housing Corporation, by implementing an ongoing program of rental housing for families and senior citizens of low income, by implementing a program to provide residential accommodation for married and unmarried students, by evolving and introducing the H.O.M.E. plan and thus creating a climate in which government agencies and private enterprise can combine their resources to make available substantial quantities of housing at moderate cost, the Government of Ontario is confident that in reasonable time the housing needs of this Province will be met.



Stanley J. Randall
Minister of Economics and Development

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THE H. O. M. E. PLAN

OUTLINE OF PROGRAMME

The plan will:

- continue and expand the Ontario Housing rental programme for low income families
- continue and expand the Ontario Housing rental program for senior citizens
- continue and expand the Ontario Student Housing rental program
- continue and expand the Federal/Provincial Land Assembly program with Ontario Housing Corporation assuming total operational responsibility
- make lots available to individuals, housing co-operatives and merchant builders on a freehold basis
- make lots available to individuals and housing co-operatives on a leasehold basis with an option to purchase
- make lots available to builders on an assignable lease basis for speculative building purposes
- make lots available to individuals and housing co-operatives on a long term amortization basis with no downpayment
- encourage and make possible home ownership among tenants of Ontario Housing
- assist elderly home owners of limited and fixed income who would otherwise suffer financial hardship as a result of public expropriation of their home
- assist Municipalities to meet their housing needs
- assist in the diversification of industry and the location of industry in new resource areas by servicing land for residential construction and where necessary providing residential accommodation
- provide accommodation on a fixed rental basis for moderate income families in communities where private enterprise is not filling their need.

T H E H . O . M . E . P L A N

BASIC INFORMATION

MUNICIPALITIES

Any municipal council which believes there exists within the municipality a need for rent-to-income family or senior citizens accommodation, rental accommodation at fixed rentals or serviced land for the development of moderately priced homes, may apply to Ontario Housing Corporation for assistance under the H.O.M.E. plan.

Upon receipt of a municipal request in the form of a resolution of council, the Corporation will conduct a survey to determine the need and effective demand for the various forms of development available under the plan.

When the survey has been completed, a full report including recommendations will be presented to the municipal council which may then decide whether or not it wishes Ontario Housing Corporation to implement the H.O.M.E. plan to the extent indicated as necessary in the report.

Complete details covering procedures for implementing these schemes appear elsewhere in this publication.

UNIVERSITIES AND OTHER POST-SECONDARY EDUCATIONAL INSTITUTIONS

Under the terms of the H.O.M.E. plan, provincially assisted universities and certain other post-secondary educational institutions may apply to Ontario Student Housing Corporation to develop residential accommodation and ancillary facilities

for their students both married and unmarried.

In the first instance, application should be made to the Provincial Department under whose jurisdiction or auspices the educational institution falls. For example, universities should apply to the Department of University Affairs, and hospitals to the Department of Health.

The departments and the post-secondary educational institutions will establish the extent and type of accommodation required and this information will be transmitted to Ontario Student Housing Corporation. Thereafter, Ontario Student Housing Corporation will deal directly with the institution.

Full details concerning procedures for implementing this program appear elsewhere in this publication.

GROUPS AND INDIVIDUALS

With the exception of student accommodation, other forms of assistance under the H.O.M.E. plan are dependent for their implementation upon municipal initiation.

The general public, either individually or in groups such as service clubs, church groups, labour unions or other local organizations, can play a vital role by familiarizing themselves with the forms of assistance available under the H.O.M.E. plan. They can then bring to the attention of their elected representatives the facilities available and where necessary, the need for municipal action.

Information concerning the H.O.M.E. plan is available upon request from Ontario Housing Corporation, 188 University Avenue, Toronto 1. The Corporation will also make representatives available to meet with municipalities, educational institutions and local groups for detailed discussion of the H.O.M.E. plan.

T H E H. O. M. E. P L A N

ONTARIO HOUSING FOR FAMILIES AND SENIOR CITIZENS

Since August, 1964, Ontario Housing Corporation has been charged with the responsibility for meeting the needs of low and modest income families upon request of a Municipal Council. If the program is to be truly successful there must be a complete awareness on the part of Ontario Municipalities concerning the program and a willingness on their part to act in the interests of their citizens.

INVESTIGATION

Any Municipality which feels there exists in the community a need and demand for Ontario Housing, may by Resolution of Council, request Ontario Housing Corporation to conduct a survey of need and effective demand. Resolutions should be directed to Ontario Housing Corporation, 188 University Avenue. (For model resolution see appendices).

SURVEY OF NEED AND DEMAND

Upon receipt of a Resolution of Council, qualified research staff of Ontario Housing Corporation will conduct a survey to determine the need and effective demand for family or senior citizens accommodation, or both.

Information will be obtained through interviews with local groups, employers, the clergy, welfare officials, etc. Determination of demand will be carried out by advertising, by direct mail questionnaires, and by personal interviews with applicants. The study will include an assessment of economic trends, growth factors and current and future housing needs.

Upon completion of the study a report and recommendation will be presented to the Municipal Council.

INITIATION

After consideration of the survey report, the only action required of a Municipality in order to implement a rental housing program, is the adoption of a resolution requesting Ontario Housing Corporation to undertake a program of the dimensions recommended in the report. The Municipality may, if it wishes, request a lesser number of units than are recommended, but if it requests a larger number, substantiating evidence must also be provided. The Resolution should be directed to Ontario Housing Corporation, 188 University Avenue. (See appendices for model Resolution)

IMPLEMENTATION

Upon receipt of a Municipal resolution, Ontario Housing Corporation will take all necessary steps to provide the housing required. It will select suitable sites and discuss these with the Municipality prior to their purchase. Alternately, it will advertise for builders to submit development proposals on land which they own or hold under option. After deciding which proposals are acceptable, the Corporation will discuss them with the Municipality before a contract is awarded.

Ontario Housing Corporation is anxious to work in complete accord with the Municipality, and to this end, keeps the Municipality fully advised at all times.

MANAGEMENT

Management of completed Ontario Housing is normally undertaken by the Corporation through its own staff. However, where a Provincially incorporated Housing Authority already exists, or where in the case of senior citizens units, a municipally sponsored Limited Dividend Company exists, arrangements may be made for the units to be managed on behalf of Ontario Housing Corporation on a fee basis.

RENTALS

All Ontario Housing for families and senior citizens is rented on the basis of a progressive rental scale related to the income of the tenant family. Rentals are adjusted on a monthly basis according to the tenant's income. In a case where there is constant fluctuation of income, arrangements are normally made to strike an acceptable average figure for the year. Rentals include the cost of a number of services such as heat, hot water, water, stove and refrigerator. Where any of these services are not provided, an adjustment is made to the rent. (See appendices for typical rental scale)

ELIGIBILITY

Eligibility for Ontario Housing is based upon need. There is no upper or lower income for eligibility or continued occupancy. Priority is established by a point rating system which takes into account a number of factors including income, health, present accommodation, security of tenure, length of residence in the community, etc.

FINANCIAL PARTICIPATIONCapital

All capital costs are borne by Ontario Housing Corporation which borrows 90% of its requirements from Central Mortgage and Housing Corporation and 10% from the Treasurer of Ontario. The Municipality is not required to bear any part of the capital costs.

Operating Costs

The Municipality is required to bear 7½% of any operating costs incurred in Ontario Housing for families. There is no Municipal share of operating losses in senior citizens accommodation.

Other Costs

- The Municipality is asked to bear the cost of any advertising involved in the survey of need and demand, and also postage costs in respect to direct mailing of survey questionnaires. All other survey costs are borne by Ontario Housing Corporation.
- Where a Municipality insists upon the use of an economically unrealistic site, or requires facilities in addition to those normally provided, Ontario Housing Corporation is prepared to consider these subject to a Municipal undertaking that it will bear the additional costs.

MUNICIPAL TAXES

As an agency of the Crown, Ontario Housing Corporation does not pay Municipal taxes. It makes an annual grant in

lieu of taxes as follows:

- In Ontario housing for families the annual grant is equal to full normal taxes.
- In Ontario housing for senior citizens the annual grant is \$25.00 per dwelling unit.

T H E H . O . M . E . P L A N

COMMUNITY DEVELOPMENT HOUSING

In many of the smaller communities of Ontario there is a serious shortage of accommodation for moderate income families who would not normally be considered for accommodation in geared-to-income Ontario Housing. These families, by virtue of their type of employment, are essentially renters as they are subject to periodic transfer to other parts of the Province. Families in this category experience extreme difficulty in obtaining adequate accommodation on a rental basis.

Where a need and effective demand exists and where this need is not being met by private enterprise, Ontario Housing Corporation will, upon request of the Municipality, develop such accommodation for rental on an economic rental basis.

INVESTIGATION

Any Municipality which feels there exists in the community a need and demand for Community Development Housing may by Resolution of Council request Ontario Housing Corporation to conduct a survey of need and effective demand. Resolutions should be directed to Ontario Housing Corporation, 188 University Avenue. (For model resolution see appendices)

SURVEY OF NEED AND DEMAND

Upon receipt of a Resolution of Council, qualified research staff of Ontario Housing Corporation will conduct

a survey to determine the need and effective demand for Community Development Housing.

Information will be obtained through interviews with local groups, employers, etc. Determination of demand will be carried out by advertising, by direct mail questionnaires, and by personal interviews with applicants. The study will include an assessment of economic trends, growth factors and current and future housing needs.

Upon completion of the study a report and recommendation will be presented to the Municipal Council.

INITIATION

After consideration of the survey report, the only action required of a Municipality in order to implement a Community Development Housing program, is the adoption of a resolution requesting Ontario Housing Corporation to undertake a program of the dimensions recommended in the report. The Municipality may, if it wishes, request a lesser number of units than are recommended, but if it requests a larger number, substantiating evidence must also be provided.

The Resolution should be directed to Ontario Housing Corporation, 188 University Avenue. (See appendices formodel Resolution)

IMPLEMENTATION

Upon receipt of a Municipal Resolution, Ontario Housing Corporation will take all necessary steps to provide the housing required. It will select suitable sites and discuss these with the Municipality prior to their purchase. Alternately, it will advertise for builders to submit development proposals on land which they own or hold under option. After deciding which proposals are acceptable, the Corporation will discuss them with the Municipality before a contract is awarded.

Ontario Housing Corporation is anxious to work in complete accord with the Municipality, and to this end, keeps the Municipality fully advised at all times.

MANAGEMENT

Management of completed Community Development Housing will be normally undertaken by the Corporation through its own staff. However, where a Provincially incorporated Housing Authority already exists, arrangements may be made for the units to be managed on behalf of Ontario Housing Corporation on a fee basis.

RENTALS

Rentals will be in an amount sufficient to cover amortization of principal and interest, Municipal taxes, maintenance and administration. Rentals will not be related to the income of the tenant family.

FINANCIAL PARTICIPATIONCapital

All capital costs are borne by Ontario Housing Corporation which obtains its financing from Central Mortgage and Housing Corporation and the Treasurer of Ontario. The Municipality is not required to bear any part of the capital costs.

Operating Costs

There is no Municipal share of operating costs.

Other Costs

- The Municipality is asked to bear the cost of any advertising involved in the survey of need and demand, and also postage costs in respect to direct mailing of survey questionnaires. All other survey costs are borne by Ontario Housing Corporation.

- Where a Municipality insists upon the use of an economically unrealistic site, or requires facilities in addition to those normally provided, Ontario Housing Corporation is prepared to consider these subject to a Municipal undertaking that it will bear the additional costs.

MUNICIPAL TAXES

As an agency of the Crown, Ontario Housing Corporation does not pay Municipal taxes. It makes an annual grant in lieu of taxes. In the case of Community Development Housing a grant equal to full normal taxes will be made.

T H E H . O . M . E . P L A N

LAND DEVELOPMENT AND ITS DISPOSAL ON A LEASEHOLD

OR FREEHOLD BASIS

The purpose of this scheme is to encourage home ownership among the moderate income group. It is an extension and expansion of the land assembly program which has been in operation since 1950. The basic philosophy behind this scheme is to create a climate in which Government agencies and private enterprise can combine their resources to make available substantial quantities of new housing at moderate cost. As long as housing demand greatly exceeds supply, house prices will continue to rise thus making home ownership increasingly difficult.

The scheme contemplates the disposal of serviced lots either by sale or by lease, or variations thereof. Land to be used for the purposes of the scheme will be any of the following:

- (a) Existing Federal-Provincial land holdings.
- (b) Developed or partially developed land now held by private entrepreneurs and offered to OHC for the purpose of this scheme.
- (c) Undeveloped land to be acquired by OHC for both current and future use.

LAND DISPOSAL

Serviced lots will be disposed of using any or all of the following methods:

- (a) Freehold - Lots to be sold on a freehold basis at or near market value in the area concerned.

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(b) Leasehold - Lots to be leased for a term of up to 50 years. Ground rents will be geared to the current NHA rate of interest and based upon the book value of the lot as established by OHC. Leasehold conditions will include -

(i) the Lessee will have the option of purchasing the lot at any time after the end of the fifth year from the commencement of the lease, at the market value established at the beginning of the lease term,

(ii) the option to purchase may be exercised by payment of cash or,
(iii) the option may be exercised on an Agreement of Sale plan.

This plan will be fully amortized at the current NHA rate of interest and will be for a period not exceeding 35 years from the date of commencement of the original lease,

(iv) both the lease and Agreement of Sale are assignable as determined in the lease or agreement.

(c) Agreement of Sale - This plan is based on a fully amortized term not in excess of 35 years at an interest rate equal to the current NHA rate and at the market value of the lot. No commutation of the balance owing under this plan will be permitted until the end of the fifth year from the date of commencement of the agreement. During this period the rental purchase agreement is assignable as determined in the agreement.
(For examples see appendices)

WHO CAN PURCHASE OR LEASE A LOT UNDER THIS SCHEME

Lots will be made available to individual home owner applicants, to co-operative groups and to merchant builders for speculative building purposes. Where lots are purchased by builders, leases and rental purchase agreements will be assignable subject to conditions designed to ensure that savings in land costs are passed on to the ultimate owner. When lots are available they will be advertised in all local papers in the community concerned, together with details as to how and where to apply.

ELIGIBILITY

- (a) Any person whose economic circumstances enable him to undertake the financial responsibility of constructing and maintaining a dwelling, according to the prescribed minimum standards for the development and within the time limits laid down, may apply to purchase or lease a lot when lots are available. (See appendices for requirements under the National Housing Act.)
- (b) Any properly constituted housing co-operative having financial means to undertake residential development may apply for a given number of lots when lots are available. (Advice on the steps necessary to form a co-operative, together with technical and other assistance may be obtained from Ontario Housing Corporation, 188 University Avenue, Toronto 1.
- (c) Any merchant builder having the proven financial resources to develop housing for speculative purposes may apply when lots are advertised as available to merchant builders.
- (d) No upper limitation in income for lot purchasers or Lessees is being imposed at the present time. However, as the scheme is intended to assist potential home owners in the moderate income

bracket, the maximum appraised value of the proposed dwelling to be placed on the lot, exclusive of land and services shall not exceed \$15,000.

RESTRICTIONS ON THE USE OF LEASED OR PURCHASED LOTS

- (a) The purchaser must commence construction of his dwelling within six months and complete it within eighteen months, or the transaction is cancelled.
- (b) The purchaser must submit his plans and specifications to OHC for approval to ensure that they meet the minimum standards of construction for loans under the National Housing Act, whether the house is financed under the NHA or privately.
- (c) Housing must comply with the building standards of the municipality concerned.
- (d) Disposal to Builders - Merchant builders will be encouraged to develop housing for speculative purposes on lots serviced under this scheme. Groups of lots will be made available to merchant builders subject to approval of their plans and specifications and end selling price by OHC.
- (e) Lots will be made available to builders on a sale or lease basis. Leases will be assignable.
- (f) Builders should at the outset determine which lots are to be disposed of on a leasehold basis and which are to be disposed of on a freehold basis. Any subsequent changes in the method of disposal would involve additional registration charges.

INITIATION OF A LAND DEVELOPMENT SCHEME

Where a Municipal Council is of the opinion that a lack of serviced land at reasonable cost is impeding the proper development of the municipality and inhibiting home ownership, it may request OHC to develop land under the HOME Plan. The request should be in the form of a Resolution of Council directed to Ontario Housing Corporation, 188 University Avenue, Toronto 1. (See appendices for model resolution.)

OHC will determine the availability and cost of existing serviced lots in the community, economic trends, growth potential and availability of raw land. If a need is established, the Corporation will then proceed to obtain and service land subject to the normal municipal requirements and approvals.

The land is selected and purchased in consultation with the municipality. Availability of trunk services and zoning regulations are primary considerations in the selection of the site.

RESPONSIBILITY FOR DEVELOPMENT

Ontario Housing Corporation will assume total responsibility for development, including surveys, sub-division design and the design and installation of services. Participation in the cost of services installed within the project and the payment of municipal levies or imposts will be in accordance with the standard practice in the municipality for privately developed sub-divisions. Where a municipality requires a higher than normal standard of services or charges, OHC shall reserve the right to discontinue the development or to ask the municipality for a guarantee that it will assume the additional costs.

COMMUNITY FACILITIES

A variety of facilities essential to a residential community will be provided in developments

under this scheme.

Park areas in accordance with the requirements of the Department of Municipal Affairs will be provided.

Sites will also be provided for schools, churches, commercial and industrial and institutional facilities on a scale commensurate with the size of the development.

FINANCING

The municipality is not required to participate in the financing of land developments under this scheme.

All normal capital costs are borne by the Federal and Provincial Governments.

T H E H. O. M. E. P L A N

HOUSING FOR INDUSTRY

The purpose of this scheme is to encourage and facilitate the diversification and expansion of industry, particularly in new resource areas.

Where the expansion of industry which is existing or the location of new industry in an area is being impeded by lack of residential accommodation or lack of serviced land for residential construction, applications may be made to Ontario Housing Corporation to meet the need.

Assistance to a municipality or to an industry under the scheme may, depending upon need, be in either or both of the following forms:

- (a) Land development for disposal on freehold, leasehold or rental purchase arrangements; or
 - (b) The development of residential accommodation on a fixed rental or rent-to-income basis.
- Suitable tenants will be given an opportunity to purchase the unit which they occupy.

LAND DEVELOPMENT

1. Land Disposal

Serviced lots will be disposed of using any or all of the following methods:

- (a) Freehold - Lots to be sold on a freehold basis at or near market value in the area concerned.
- (b) Leasehold - Lots to be leased for a term of up to 50 years. Ground rents will be geared to the current NHA rate of interest and based upon the book value of the lot as established by Ontario Housing Corporation.

Leasehold conditions will include:

- (i) The lessee will have the option of purchasing the lot at any time after the end of the fifth year from the commencement of the lease at the market value established at the beginning of the lease term.
 - (ii) The option to purchase may be exercised by payment of cash; or
 - (iii) The option may be exercised on an Agreement of Sale plan. This plan will be fully amortized at the current NHA rate of interest and will be for a period not exceeding 35 years from the date of commencement of the original lease.
 - (iv) Both the lease and Agreement of Sale are assignable as determined in the lease or agreement.
- (c) Agreement of Sale - This plan is based on a fully amortized term not in excess of 35 years at an interest rate equal to the current NHA rate and at the market value of the lot. No commutation of the balance owing under this plan will be permitted until the end of the fifth year from the date of commencement of the agreement. During this period the Agreement of Sale is assignable as determined in the agreement.

(See appendices for examples)

Who Can Purchase or Lease a Lot Under This Scheme

Lots are made available to individual homeowner applicants, co-operative groups and merchant builders for speculative building purposes. Where lots are purchased by builders, leases and rental purchase agreements will be assignable subject to conditions designed to ensure that savings in land costs are passed on to the ultimate owner. When lots are available they will be advertised in all local papers in the community concerned, together with details as to how and where to apply.

Restrictions On The Use Of Leased Or Purchased Lots

- (a) The purchaser must commence construction of his dwelling within six months and complete it within eighteen months or the transaction is cancelled.
- (b) The purchaser must submit his plans and specifications to Ontario Housing Corporation for approval to ensure that they meet the minimum standards of construction for loans under the National Housing Act whether the house is financed under the NHA or privately.
- (c) Housing must comply with the building by-laws of the municipality concerned.
- (d) Disposal to Builders - Merchant builders will be encouraged to develop housing for speculative purposes on lots serviced under this scheme. Groups of lots will be made available to merchant builders subject to approval of their plans and specifications and end selling price by Ontario Housing Corporation.
- (e) Lots will be made available to builders on a sale or lease basis. Leases will be assignable.
- (f) Builders should at the outset determine which lots are to be disposed of on a leasehold basis and which are to be

disposed of on a freehold basis. Any subsequent changes in the method of disposal would involve additional registration charges.

Eligibility

- (a) Any person whose economic circumstances enable him to undertake the financial responsibility of constructing and maintaining a dwelling according to the prescribed minimum standards for the development and within the time limits laid down, may apply to purchase or lease a lot when lots are available.

(See appendices for requirements under the National Housing Act)

- (b) Any properly constituted housing co-operative having financial means to undertake residential development may apply for a given number of lots when lots are available. (Advice on the steps necessary to form a co-operative, together with technical and other assistance may be obtained from Ontario Housing Corporation, 188 University Avenue, Toronto 1.)

- (c) Any merchant builder having the proven financial resources to develop housing for speculative purposes may apply when lots are advertised as available to merchant builders.

- (d) No upper limitation in income for lot purchasers or lessees is being imposed at the present time. However, as the scheme is intended to assist potential homeowners in the moderate income bracket, the maximum appraisal value of the proposed dwelling to be placed on the lot, exclusive of land and services, shall not exceed \$15,000.

2. Initiation of the Land Development Scheme

Where a municipal council is of the opinion that lack of serviced land at reasonable cost is impeding proper development of industry in the municipality, it may request Ontario Housing Corporation to develop land under the H.O.M.E. plan.

The request should be in the form of a resolution of council directed to Ontario Housing Corporation, 188 University Avenue, Toronto 1. (See appendices for model resolution.)

Ontario Housing Corporation will determine the availability and cost of existing serviced lots in the community, economic trends, growth potential and availability of raw land. If a need is established, the Corporation will then proceed to obtain and service land subject to the normal requirements of the municipality. The land is selected and purchased in consultation with the municipality. Availability of trunk services and zoning regulations are primary considerations in the selection of a site.

Where industry is located in an unorganized area and no municipal structure exists, the industry itself may make application directly to Ontario Housing Corporation.

3. Responsibility for Development

Ontario Housing Corporation will assume total responsibility for development including surveys, subdivision design and the design and installation of services. Participation in the cost of services installed within the project and the payment of municipal levies and imposts will be in accordance with the standard practice in the municipality for privately developed subdivisions. Where a municipality requires a higher than normal standard of services and/or charges OHC shall reserve the right to discontinue the development or to ask the municipality for a guarantee that it will assume the additional costs.

4. Community Facilities

A variety of facilities essential to a residential community will be provided in developments under this scheme.

Park areas in accordance with the requirements of the Department of Municipal Affairs will be provided. Sites will also be provided for schools, churches, commercial and institutional facilities on a scale commensurate with the size of the development.

5. Financing

Neither the municipality or the industry requesting the development are required to participate in the financing of land development under this scheme. All normal capital costs are borne by the Federal and Provincial Governments.

Where land is developed to meet the needs of a primary industry and where such industry constitutes the economic base in the community, the industry in question will be required to furnish guarantees acceptable to Ontario Housing Corporation.

RENTAL ACCOMMODATION

Where the municipality or industry request serviced land and rental accommodation, or rental accommodation only, the need and demand study by Ontario Housing Corporation will include an assessment of the kind and extent of rental accommodation required. The report arising from the study will recommend the number of rental units required. In the event there is a need only for rent-to-income accommodation, this accommodation will be developed in accordance with the procedures set out for the provision of Ontario Housing. If a need is also established for rental accommodation for families in a higher income range

and where this accommodation is not being provided by private enterprise the municipality or industry may request Ontario Housing Corporation to provide such accommodation on a fixed rental basis.

1. Implementation

Upon receipt of a municipal resolution or request from industry, Ontario Housing Corporation will take all necessary steps to provide the housing required. It will select suitable sites and discuss these with the municipality prior to their purchase. Alternately, it will advertise for builders to submit development proposals on land which they own or hold under option. After deciding which proposals are acceptable, the Corporation will discuss them with the municipality before a contract is awarded.

Ontario Housing Corporation is anxious to work in complete accord with the municipality, and to this end keeps the municipality fully advised at all times.

2. Management

Management of completed Ontario Housing is normally undertaken by the Corporation through its own staff. However, where a provincially incorporated Housing Authority already exists, arrangements may be made for the units to be managed on behalf of Ontario Housing Corporation on a fee basis.

3. Rentals

Rentals will be in an amount sufficient to cover amortization of principal and interest, municipal taxes, maintenance and administration. Rentals will not be related to the income of the tenant family.

4. Municipal Taxes

As an agency of the Crown, Ontario Housing Corporation does not pay municipal taxes. It makes an annual grant in lieu of taxes. In the case of housing for industry, this annual grant will be equal to full normal taxes.

T H E H . O . M . E . P L A N

LAND LEASE WITH DEFERMENT OF GROUND RENT

The purpose of this scheme is to assist homeowners of advanced years and limited fixed income, who are displaced as a result of compulsory acquisition of their dwelling by a public authority, to purchase suitable alternative accommodation without financial hardship.

For the time being, assistance under this scheme is confined to homeowners displaced as a result of an urban renewal scheme undertaken by a municipality under the terms of the National Housing Act and the Planning Act, R.S.O. 1960.

DEFERRED LAND GROUND RENTALS

Under this scheme title to the land will vest in Ontario Housing Corporation. A ground rental will be established based on current NHA rates of interest and at the book value of the land as determined by Ontario Housing Corporation.

The lessee will have the option of paying the ground rental in full or requesting a partial or total deferment.

The lessee will also have the option to purchase the land outright at its established value at any time after the fifth year subsequent to the commencement of the lease.

Where there is a partial or total deferment of ground rent, the unpaid portion together with interest thereon will

become a charge against the dwelling. Should the lessee exercise his option to purchase the land, all deferred charges then become due and payable.

Under the terms of the lease, the homeowner and his spouse shall, during their lifetime, be entitled to maintain a dwelling on the land for their own occupancy. Upon the death of the surviving partner, or in the event that the property is no longer occupied by the lessee and/or his spouse, all deferred charges shall become due and payable.

INITIATION

A municipality which has expropriated residential properties for urban renewal purposes under the terms of the National Housing Act and the Planning Act may request Ontario Housing Corporation to provide assistance to displaced homeowners eligible under this scheme.

A municipality requesting assistance through Ontario Housing Corporation under the terms of this scheme shall be deemed to be providing the relocation services required in urban renewal schemes carried out under the terms of the National Housing Act. Assistance in finding suitable alternative accommodation shall be provided by the Relocation Officer of the municipality concerned.

In requesting such assistance the municipality will provide complete details of the financial status of each

eligible homeowner, the amount of compensation payable in respect of the expropriated property and details of the alternative accommodation selected.

IMPLEMENTATION

Upon receipt of a municipal request for assistance under this scheme, Ontario Housing Corporation will carry out an evaluation of the alternative accommodation selected by the homeowner with the assistance of the municipal Relocation Officer. The land and the dwelling will be evaluated separately. On the basis of the appraised value of the land, Ontario Housing Corporation will by agreement with the homeowner purchase the land and dwelling. Ontario Housing Corporation will then resell the dwelling portion of the property to the homeowner and will grant a lease of the land component at a ground rental as specified in the lease.

ELIGIBILITY

To obtain assistance under this scheme, homeowners must meet the following eligibility requirements:

- (a) Have been an established homeowner-occupant in the area prior to expropriation.
- (b) Be sixty (60) years of age or more.
- (c) Have a fixed limited income in the form of annuities, pensions or some form of transfer allowance.
- (d) Have received sufficient compensation from the expropriated dwelling to enable them to purchase the alternative dwelling outright, exclusive of land and services.

T H E H. O. M. E. P L A N

ONTARIO STUDENT HOUSING FOR UNDERGRADUATE AND GRADUATE STUDENTS

In August 1966 the Ontario Student Housing Corporation was established to undertake the provision of housing accommodation for both undergraduate and graduate students at the request of universities and certain other post-secondary educational institutions. This program was developed to provide housing accommodation for single and married undergraduate and graduate students.

INVESTIGATION

Any provincially assisted university or other eligible post-secondary educational institution which feels that there exists a need and effective demand for student accommodation may submit an application outlining the extent and type of student accommodation required to the Provincial Department under whose jurisdiction and auspices the educational institution falls. This application must be accompanied by sufficient evidence supporting the request for housing accommodation (e.g. Users Committee Report, a survey of the housing requirements of the present student population, present and projected enrolments data, etc.), in order to provide the Provincial Department with information on which to base its approval.

IMPLEMENTATION

The Ontario Student Housing Corporation will be advised by the applicable Provincial Department of the approval of an application for student housing, and the Corporation will then undertake negotiations directly with the institution in order to implement the necessary student housing program. The Corporation will take all necessary steps to develop hostel accommodation for single undergraduate and graduate students and self-contained housing units to accommodate married undergraduate and graduate students, or other forms of accommodation to meet the requirements of the student population. Student housing will be developed on lands owned by the institution or on land owned by the Corporation. Alternatively, the Corporation will advertise for builders to submit development proposals on lands which they own, or hold under option.

After deciding which proposals are acceptable, the Corporation will review them with the institution before a contract is awarded.

Ontario Student Housing Corporation is anxious to work in co-operation with post-secondary educational institutions in the Province in providing the required student housing accommodation and to this end keeps the institution fully advised at all times.

MANAGEMENT

The management of student housing developed on lands owned by and forming part of the campus of a post-secondary educational institution is normally undertaken by the institution under the terms of an agreement with the Ontario Student Housing Corporation. The same arrangements apply in the case of accommodation for unmarried students on lands forming part of the campus of the institution.

The management of self-contained accommodation for married students on lands not owned by the institution is normally undertaken by the Corporation through its own staff.

RENTALS

Rentals for student accommodation developed on lands owned by a post-secondary educational institution will be established by the institution in accordance with prevailing rates for similar student accommodation.

Rentals for student accommodation developed on lands owned by the Corporation and restricted to self-contained housing units for married students will be in an amount sufficient to cover amortization of principal and interest, maintenance and administration.

ELIGIBILITY

Eligibility and priority to all forms of student accommodation developed by Ontario Student Housing Corporation will be established by the post-secondary educational institution.

FINANCIAL PARTICIPATION

Capital

Hostel Accommodation

All capital costs up to a maximum of \$7,777 per student bed are borne by Ontario Student Housing Corporation which borrows 90% of its requirements from Central Mortgage and Housing Corporation and 10% from the Treasurer of Ontario. The post-secondary educational institution is not required to bear any part of the capital cost so long as the cost per student place does not exceed \$7,777.

Self-contained Accommodation

All capital costs are borne by Ontario Student Housing Corporation which borrows 90% of its requirements from Central Mortgage and Housing Corporation and 10% from the Treasurer of Ontario.

OPERATING COSTS

For hostel and self-contained accommodation developed on lands owned by the post-secondary educational institution,

the institution is required to repay the capital cost of the student accommodation over an agreed period. The institution is also required to bear all operating costs incurred in the management, maintenance and administration of the student housing.

For self-contained student housing accommodation developed on lands owned by the Ontario Student Housing Corporation, the institution is required to guarantee the rentals for an agreed period in an amount sufficient to cover amortization of principal and interest, maintenance and administration.

T H E H . O . M . E . P L A N

ONTARIO HOUSING - TENANT PURCHASE

The purpose of this scheme is to enable existing tenants whose economic circumstances permit to purchase the dwelling which they now occupy. The scheme also provides an incentive to other tenants to improve their economic circumstances so that they also may ultimately qualify.

The scheme will apply to all suitable Ontario Housing units and other units under the jurisdiction of Ontario Housing Corporation. Where an eligible tenant occupies a unit not suitable for purchase under this scheme, the tenant will, wherever possible, be given the opportunity of attaining homeownership under other provisions of the H.O.M.E. plan.

IMPLEMENTATION

All suitable Ontario Housing units and other units under the jurisdiction of Ontario Housing Corporation will be appraised on the basis of current market values. The land and dwelling will be evaluated separately.

On the basis of the appraised value, a gross debt service based on a repayment period of 25, 30 and 35 years will be established. (see appendices for definition of Gross Debt Service.)

All eligible tenants of suitable dwellings will be advised of the gross debt service in respect of the dwelling which they now occupy and the income required in order to purchase. All other tenants of suitable units will be advised of the income they must attain in order to qualify.

ELIGIBILITY

To qualify under this scheme, tenants must meet the following eligibility requirements:

- a) Have been a tenant in good standing of Ontario Housing Corporation for a period of not less than one year.
- b) Have the financial ability to assume the gross debt service applicable to the land and dwelling which they occupy and to maintain the property in good repair.
- c) Have a family composition commensurate with the accommodation provided by the dwelling unit.

TERMS OF SALE

Those tenants who qualify under the terms of this scheme will have the option of purchasing under any of the following arrangements:

- a) Freehold - The tenant's option to purchase may be exercised by payment of cash.
- b) Leasehold - The lot to be leased for a term of up to 50 years. Ground rent will be geared to the current National Housing Act rate of interest and based upon the book value of the lot as established by Ontario Housing Corporation. The dwelling to be purchased on an Agreement of Sale plan based on a fully amortized term not exceeding 35 years at the current National Housing Act rate of interest. Downpayment on the dwelling to be the amount required for loans under the National Housing Act. Leasehold conditions on the lot will include:

- (1) The lessee will have the option of purchasing the lot at any time after the end of the

fifth year from the commencement of the lease at the market value established at the beginning of the lease term;

(ii) The option to purchase may be exercised by payment of cash; or

(iii) The option may be exercised on an Agreement of Sale plan. This plan will be fully amortized at the current National Housing Act rate of interest and will be for a period not exceeding 35 years from the date of commencement of the original lease.

(iv) Both the lease and Agreement of Sale are assignable as determined in the Lease or Agreement.

c) Agreement of Sale - This plan is based on a fully amortized term not in excess of 35 years at an interest rate equal to the current National Housing Act rate and at the market value of the lot and dwelling. No commutation of the balance owing under this plan will be permitted until after the end of the fifth year from the date of commencement of the Agreement.

Leases and Agreements of Sale shall stipulate that in the event the owner should wish to dispose of his interest in the property during the term of the Agreement Ontario Housing Corporation shall have the right of first refusal. Leases and Agreements of Sale shall also include provision for establishing a "fair value" in the event of such resale to Ontario Housing Corporation.

T H E H . O . M . E . P L A N

STRATIFIED TITLE

Legislation will shortly be introduced into the Ontario Legislature which will permit the stratification of land titles and thereby the ownership of an absolute undivided interest in individual units in a multiple housing development.

Such stratification of title will have all of the characteristics associated with absolute ownership of real estate, will be freely transferable, mortgagable, individually taxable and can be passed by will or inherited on an intestacy.

With the enactment of such legislation, interested persons may purchase individual apartment units or individual row or town houses within a larger multiple development being disposed of on the "Stratified Title" basis. This should result in homes being made available at a price which reflects the savings achieved in higher density developments.

Complete details concerning "Stratified Title" will be published upon enactment of the enabling legislation and will be obtainable from Ontario Housing Corporation, 188 University Avenue, Toronto 1, Ontario.

A P P E N D I C E SMODEL RESOLUTIONS

RESOLVED that Ontario Housing Corporation be requested to undertake and carry out a survey to determine the need and effective demand for family rental housing accommodation on a geared-to-income basis in the Town of _____.

RESOLVED that Ontario Housing Corporation be requested to undertake and carry out a survey to determine the need and effective demand for senior citizens rental housing accommodation on a geared-to-income basis in the Town of _____.

RESOLVED that Ontario Housing Corporation be requested to undertake and carry out a survey to determine the need and effective demand for community housing on an economic rental basis in the Town of _____.

MODEL RESOLUTIONS - Continued

RESOLVED that Ontario Housing Corporation be requested to undertake and carry out a survey of need for serviced land for residential purposes in the Town of _____. In the event that the survey indicates a need, it is hereby resolved that Ontario Housing Corporation be requested to proceed with such development in accordance with the need as indicated by the survey.

RESOLVED that Ontario Housing Corporation be requested to provide rental housing accommodation on a geared-to-income basis for senior citizens in the Town of _____, such rental housing accommodation to comprise _____ bachelor units and _____ one-bedroom units, as indicated in the survey of need and effective demand dated _____.

The Corporation of the Municipality of _____ hereby undertakes and agrees to waive all claims for grants in lieu of taxes in excess of Twenty-five Dollars (\$25.00) per unit per annum in relation to the said senior citizens housing.

MODEL RESOLUTIONS - Continued

RESOLVED that Ontario Housing Corporation be requested to provide rental housing accommodation for families on a geared-to-income basis in the Town of _____, such accommodation to comprise _____ one-bedroom, _____ two-bedroom, _____ three-bedroom, _____ four-bedroom and _____ five-bedroom units, as indicated by the survey of need and effective demand dated _____.

The Corporation of the Municipality of _____ hereby undertakes and agrees to contribute $7\frac{1}{2}\%$ of any annual loss arising out of the operation of the said family housing.

RESOLVED that Ontario Housing Corporation be requested to provide community development housing on an economic rental basis in the Town of _____, such housing to comprise _____ one-bedroom, _____ two-bedroom, _____ three-bedroom, _____ four-bedroom and _____ five-bedroom units.

APPLICATION OF RENT SCALEDEFINITION OF INCOME

"Family income" is the aggregate gross income, in whatever form received, of all members of the family, or of an individual, where applicable, EXCLUDING:-

- 1) Earnings of children in regular attendance at recognized educational institutions; funds for tuition such as scholarships, bursaries and contributions from non-resident family members;
- 2) Living out or travelling allowances of the family head; casual and/or part-time earnings of a spouse up to \$250.00 per annum.
- 3) Earnings in excess of \$75.00 per month of all members of the tenant family other than the family head or spouse;
- 4) Capital gains, such as insurance settlements, inheritances, sale of effects;
- 5) Family Allowances.

WELFARE RENTS

The amount of rent to be charged to individuals or families in receipt of an allowance under the General Welfare Assistance Act or the Mothers' Allowance Act shall be the shelter allowance payable under the Act or the rent required in accordance with the scale, whichever is the greater.

RENTAL ADJUSTMENTS

The monthly rent of an individual or family will be adjusted at each change in income if such change warrants an increase or decrease in rent in excess of \$5.00 per month. Otherwise the rental rate will be adjusted only after the annual verification of income.

GEARED-TO-INCOME RENT SCALE

FAMILY ANNUAL	INCOME MONTHLY	MONTHLY RENT		RATIO OF RENT TO INCOME
		\$	%	
6732	561	AND OVER	30% MAXIMUM	30.0
6720	560		168	30.0
6528	544		155	28.5
6336	528		147	27.8
6144	512		141	27.5
5952	496		136	27.4
5760	480		131	27.0
5568	464		125	26.9
5376	448		119	26.6
5184	432		114	26.4
4992	416		108	26.0
4800	400		103	25.8
4608	384		97	25.2
4416	368		92	25.0
4224	352		86	24.4
4032	336		81	24.2
3840	320		76	23.8
3648	304		70	23.1
3456	288		65	22.6
3264	272		59	21.7
3072	256		54	21.0
2880	240		48	20.0
2688	224		43	19.2
2496	208		37	17.8
2204	192	OR LESS	32 MINIMUM	16.7

The above scale illustrates exact percentages at certain income levels. Further graduations of rent and income are applicable between the percentage points.

The rental rates shown include the provision of heat, hot water, water, stove and refrigerator. Where any of these items are paid for or provided directly by the tenant an appropriate deduction is made from the rental rate based on the local value of the service not supplied. Conversely, where additional services are paid for by Ontario Housing Corporation, such as electricity, fuel for cooking, etc., an appropriate addition is made.

INCOME REQUIREMENTS FOR LOANS UNDER THE NATIONAL HOUSING ACTLENDING VALUE

Lending value is the value of your proposed house and lot as established by Central Mortgage and Housing Corporation. It is determined from the plans and specifications submitted with your loan application and a knowledge of the area in which the house is to be built.

Your loan may be as high as 95% of the first \$13,000 of the lending value, plus 70% of the remainder.

ANNUAL INCOME

As a general guide, payments to be made during the year on your loan and for municipal taxes should not exceed 27% of your total annual income. In establishing your total annual income the lender may consider any investment income your wife may receive and, if she is working, up to 20% of her earnings during the year.

To determine how much you can reasonably afford to borrow, take 27% of your total annual income and subtract the estimated annual municipal taxes. The remainder must meet monthly payments of principal and interest on the loan over each 12-month period.

(See "Loans For Homes" issued by Central Mortgage and Housing Corporation)

REPAYMENT OF LOAN

NHA loans are usually made for a period of 25 years but, in some cases, the term may be extended to as long as 35 years.

Loans are repaid in equal monthly instalments which include payment of interest and loan principal. The total monthly payment includes one-twelfth of the estimated municipal taxes. The total monthly payment may be changed from time to time in line with changes in the municipal tax charges.

(Complete information on loans under the National Housing Act may be obtained from any office of Central Mortgage and Housing Corporation.)

GROSS DEBT SERVICE

- A. The Gross Debt Service on a dwelling constructed on leasehold land is the annual payment of principal and interest in respect of the loan on the dwelling, the annual ground rental, and the annual municipal taxes.
- B. The Gross Debt Service on a dwelling constructed on freehold land is the annual payment of principal and interest in respect of the land and dwelling together with annual municipal taxes.

COMPARISON OF LOAN LEVELS, REQUIRED DOWN PAYMENTS,
MONTHLY CARRYING CHARGES, IN RESPECT OF FREEHOLD
AND LEASEHOLD APPLICATIONS

The following assumptions are common to each example:

- (i) Loan calculated at current NHA interest rate of 7½%
- (ii) Lending value of dwelling is equal to selling price
- (iii) Land is appraised at full market level for freehold purposes
- (iv) Ground rent is computed at 7½% of book value

EXAMPLE 1

	25 Year Repayment Period		30 Year Repayment Period		35 Year Repayment Period	
	FREEHOLD	LEASEHOLD	FREEHOLD	LEASEHOLD	FREEHOLD	LEASEHOLD
	\$	\$	\$	\$	\$	\$
Building Value	15,000	15,000	15,000	15,000	15,000	15,000
Land Value	9,000	7,500	9,000	7,500	9,000	7,500
Lending Value	24,000	15,000	24,000	15,000	24,000	15,000
Down Payment	6,000	1,250	6,000	1,250	6,000	1,250
Loan Amount	18,000	13,750	18,000	13,750	18,000	13,750
2% Insurance Fee	360	275	360	275	360	275
Total Loan Amount	18,360	14,025	18,360	14,025	18,360	14,025

EXAMPLE 2

	25 Year Repayment Period		30 Year Repayment Period		35 Year Repayment Period	
	FREEHOLD	LEASEHOLD	FREEHOLD	LEASEHOLD	FREEHOLD	LEASEHOLD
	\$	\$	\$	\$	\$	\$
Building Value	15,000	15,000	15,000	15,000	15,000	15,000
Land Value	9,000	7,500	9,000	7,500	9,000	7,500
Lending Value	24,000	15,000	24,000	15,000	24,000	15,000
Down Payment	6,000	1,250	6,000	1,250	6,000	1,250
Loan Amount	18,000	13,750	18,000	13,750	18,000	13,750
2% Insurance Fee	360	275	360	275	360	275
Total Loan Amount	18,360	14,025	18,360	14,025	18,360	14,025

EXAMPLE 3

	25 Year Repayment Period		30 Year Repayment Period		35 Year Repayment Period	
	FREEHOLD	LEASEHOLD	FREEHOLD	LEASEHOLD	FREEHOLD	LEASEHOLD
	\$	\$	\$	\$	\$	\$
Building Value	15,000	15,000	15,000	15,000	15,000	15,000
Land Value	9,000	7,500	9,000	7,500	9,000	7,500
Lending Value	24,000	15,000	24,000	15,000	24,000	15,000
Down Payment	6,000	1,250	6,000	1,250	6,000	1,250
Loan Amount	18,000	13,750	18,000	13,750	18,000	13,750
2% Insurance Fee	360	275	360	275	360	275
Total Loan Amount	18,360	14,025	18,360	14,025	18,360	14,025

P + I Repayments	132	101	101	95	95	91
Estimated Taxes	40	40	40	40	40	40
Amortized Payment on Land	-	-	-	-	-	58
Ground Rent	-	49	-	49	-	49
Total Monthly Payment	172	190	164	184	159	180
Annual Income Required @ 27% G.D.S.	7,644	8,444	7,288	8,177	7,067	8,000
						8,400

COMPARISON OF LOAN LEVELS, REQUIRED DOWN PAYMENTS,
MONTHLY CARRYING CHARGES, IN RESPECT OF FREEHOLD
AND LEASEHOLD APPLICATIONS

The following assumptions are common to each example:

- (i) Loan calculated at current NHA interest rate of 7½%
- (ii) Lending value of dwelling is equal to selling price
- (iii) Land is appraised at full market level for freehold purposes
- (iv) Ground rent is computed at 7½% of book value

EXAMPLE 1

25 Year Repayment	Period
FREEHOLD	AGREEMENT
\$	OF SALE
\$	\$

Building Value	13,000	13,000	13,000
Land Value	6,000	4,500	6,000
Lending Value	19,000	13,000	13,000
Down Payment	2,450	650	650
Loan Amount	16,550	12,350	12,350
2% Insurance Fee	331	247	247
Total Loan Amount	16,881	12,597	12,597

EXAMPLE 2

30 Year Repayment	Period
FREEHOLD	AGREEMENT
\$	OF SALE
\$	\$

Building Value	13,000	13,000	13,000
Land Value	6,000	4,500	6,000
Lending Value	19,000	13,000	13,000
Down Payment	2,450	650	650
Loan Amount	16,550	12,350	12,350
2% Insurance Fee	331	247	247
Total Loan Amount	16,881	12,597	12,597

EXAMPLE 3

35 Year Repayment	Period
FREEHOLD	AGREEMENT
\$	OF SALE
\$	\$

Building Value	13,000	13,000	13,000
Land Value	6,000	4,500	6,000
Lending Value	19,000	13,000	13,000
Down Payment	2,450	650	650
Loan Amount	16,550	12,350	12,350
2% Insurance Fee	331	247	247
Total Loan Amount	16,881	12,597	12,597

P + I Repayments	121	91	91	85	85	82	82
Estimated Taxes	30	30	30	30	30	30	30
Amortized Payment on Land	-	-	39	-	39	-	39
Ground Rent	-	29	-	29	-	29	-
Total Monthly Payment	151	150	160	144	154	141	151
Annual Income Required @ 27% G.D.S.	6,711	6,667	7,111	6,400	6,844	6,222	6,711

COMPARISON OF LOAN LEVELS, REQUIRED DOWN PAYMENTS,
MONTHLY CARRYING CHARGES, IN RESPECT OF FREEHOLD
AND LEASEHOLD APPLICATIONS

The following assumptions are common to each example:

- (i) Loan calculated at current NHA interest rate of 7½%
- (ii) Lending value of dwelling is equal to selling price
- (iii) Land is appraised at full market level for freehold purposes
- (iv) Ground rent is computed at 7½% of book value

EXAMPLE 1

	25 Year		30 Year		35 Year		40 Year	
	FREEHOLD	LEASEHOLD	FREEHOLD	LEASEHOLD	FREEHOLD	LEASEHOLD	FREEHOLD	LEASEHOLD
	\$	\$	\$	\$	\$	\$	\$	\$
Building Value	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Land Value	4,000	3,000	4,000	3,000	4,000	3,000	4,000	3,000
Lending Value	16,000	12,000	16,000	12,000	16,000	12,000	16,000	12,000
Down Payment	1,800	600	1,800	600	1,800	600	1,800	600
Loan Amount	14,200	11,400	14,200	11,400	14,200	11,400	14,200	11,400
2% Insurance Fee	289	228	289	228	289	228	289	228
Total Loan Amount	14,739	11,628	14,739	11,628	14,739	11,628	14,739	11,628

EXAMPLE 2

	30 Year		35 Year		40 Year		45 Year	
	FREEHOLD	LEASEHOLD	FREEHOLD	LEASEHOLD	FREEHOLD	LEASEHOLD	FREEHOLD	LEASEHOLD
	\$	\$	\$	\$	\$	\$	\$	\$
Building Value	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Land Value	4,000	3,000	4,000	3,000	4,000	3,000	4,000	3,000
Lending Value	16,000	12,000	16,000	12,000	16,000	12,000	16,000	12,000
Down Payment	1,800	600	1,800	600	1,800	600	1,800	600
Loan Amount	14,200	11,400	14,200	11,400	14,200	11,400	14,200	11,400
2% Insurance Fee	289	228	289	228	289	228	289	228
Total Loan Amount	14,739	11,628	14,739	11,628	14,739	11,628	14,739	11,628

EXAMPLE 3

	35 Year		40 Year		45 Year		50 Year	
	FREEHOLD	LEASEHOLD	FREEHOLD	LEASEHOLD	FREEHOLD	LEASEHOLD	FREEHOLD	LEASEHOLD
	\$	\$	\$	\$	\$	\$	\$	\$
Building Value	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Land Value	4,000	3,000	4,000	3,000	4,000	3,000	4,000	3,000
Lending Value	16,000	12,000	16,000	12,000	16,000	12,000	16,000	12,000
Down Payment	1,800	600	1,800	600	1,800	600	1,800	600
Loan Amount	14,200	11,400	14,200	11,400	14,200	11,400	14,200	11,400
2% Insurance Fee	289	228	289	228	289	228	289	228
Total Loan Amount	14,739	11,628	14,739	11,628	14,739	11,628	14,739	11,628

P + I Repayments	106	83	83	78	78	96	76	76
Estimated Taxes	25	25	25	25	25	25	25	25
Amortized Payment on Land	-	-	25	-	25	-	-	25
Ground Rent	-	19	-	19	-	-	19	-
Total Monthly Payment	131	127	124	122	128	121	120	126
Annual Income Required @ 27% G.D.S.	5,822	5,644	5,511	5,422	5,688	5,378	5,333	5,600

